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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:	:	Chapter 11
SEARS HOLDING CORPORATION,	:	Case No. 18-23538 (RDD)
	:	(Joint Administration)
Debtors ¹	:	

OBJECTION TO REVISED CURE COST OF LOCKHART REALTY INC., (STORE No. 7793) TO DEBTORS' STATED CURE AMOUNT AND RESERVATION OF RIGHTS

Lockhart Realty Inc., ("LRI") by and through its attorneys Dudley Rich LLP, as and for its Revised Cure Objection to the Cure Costs stated in Exhibit A to the "Notice of Assumption

¹The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovol Solutions, Inc. (7180); Kmart Corporation (9500); MaxSev, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), LLC. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); Bluel.brht.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Koart.coo LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors' corporation headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

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and Assignment of Additional Designable Leases (the “Assumption Notice”) (ECF 3298) filed by Transform Holdco LLC and the above-captioned debtors and debtors in possession (the “Debtors”) represents as follows:

1. On or about October 15, 2018, the Debtors, including Kmart Corporation (“Kmart”) filed petitions under Chapter 11 of Title 11 of the United States Code (“the Bankruptcy Code”). The Debtors have continued to operate their business and manage their properties as debtors in possession pursuant to §§ 1107 and 1108 of the Bankruptcy Code.
2. LRI is the Landlord and Kmart is the Tenant pursuant to that certain unexpired Lease dated as of October 22, 1997, as amended and extended effective March 1, 2018 (together “the Lease”) for the premises known as the Kmart store unit located at Lockhart Gardens, in St. Thomas, Virgin Islands. *See, Exhibit 1* attached hereto.
3. On or about January 18, 2019, the Debtor served the “Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Leases in Connection with Global Sale Transaction (the “Cure Notice”) (ECF 1731), which provided at Schedule B, No. 342 of Dct 1731. The estimated Cure Cost was **\$191,188**. The Cure Notice did not include any breakdown of the proposed cure amount. LRI did not have an objection to the initial estimate based upon the amounts due to LRI as of that date.
4. The Assumption Notice states in Exhibit A at page 11 that the Revised Cure Amount for LRI’s Store No.7793 is listed as **\$106,165.06**. There is no breakdown or explanation for the revised Cure Cost Estimate.

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5. Attached hereto as **Exhibit 2** is LRI's Statement of Amounts Due as of April 10, 2019, in the total amount of **\$146,034.78**.
6. Pursuant to 11 U.S.C.A. § 365(b)(1) the Lease may not be assumed unless all defaults, subject to certain exceptions not applicable herein, are cured and all amounts due are paid.
7. In addition to the foregoing, LRI further joins in the objections and supplemental objections filed by Debtors' other landlords to the extent that such objections are not inconsistent with the relief requested herein.
8. LRI reserves its rights to make such other and further objections as may be appropriate, including but not limited to, objections regarding adequate assurance of future performance under Section 365.

Accordingly, LRI respectfully requests that (a) this Revised Cure Objection be considered and resolved in accordance with the terms of the Assumption Notice and related orders; (b) that any order authorizing the assumption of the LRI Lease affirmatively require the Debtors and/or Assignee to pay all amounts due and all amounts accrued but not yet billed, including attorney's fees and expenses, and (c) grant LRI such further relief as the Court deems appropriate.

Dated: April 30, 2019

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on the 30th day of April 2019, I caused a copy of the foregoing to be served by electronic means through the ECF system to all registered ECF participants, as well as by email to the following parties:

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/s/ Carol Ann Rich

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